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Tennessee Department of Revenue

## Sales Tax Holiday: Clothing - \$100 or Less

Tenn. Code Ann. Section 67-6-393 establishes an annual sales tax holiday beginning in August 2006. The holiday starts each year at 12:01 a.m. on the first Friday in August and ends at 11:59 p.m. on the following Sunday. For 2006, this period is from 12:01 a.m., Aug. 4 through 11:59 p.m., Aug. 6.

During the holiday, **clothing with a purchase price of \$100 or less per item** is exempt from sales tax. Clothing items costing more than \$100 or any clothing purchased for use by a trade or business is **not** exempt from tax. Items that are normally sold together, such as shoes, may not be split to achieve the \$100 threshold.

Exempt clothing is defined as human wearing apparel for general use. It does not include accessories such as jewelry or bags, or sports and recreational equipment like baseball gloves.

Examples of **exempt clothing** during the holiday period include:

Belts	Hosiery	School uniforms
Caps	Jackets	Shirts
Coats	Jeans	Shoes
Dresses	Neckties	Socks
Gloves	Pants	Sneakers
Hats	Scarves	Underwear

For layaway sales, qualified clothing is exempt when final payments are made by customers on items previously placed on layaway. When customers put clothing items on layaway during the holiday period, they will also be tax-exempt when final payment and delivery is made after the exemption period.

More information from the Department of Revenue is available from the following sources:

- Web site: [www.Tennessee.gov/revenue](http://www.Tennessee.gov/revenue)
- E-mail: [salestax.holiday@state.tn.us](mailto:salestax.holiday@state.tn.us)
- Telephone: **(800) 342-1003** 8 a.m. - 5 p.m., CST, Monday through Friday  
**Special telephone hours for Sales Tax Holiday:**  
 Saturday, Aug. 5: 7 a.m. - 7 p.m., CST  
 Sunday, Aug. 6: 10 a.m. to 6 p.m., CST